



**Weathering the Storm: The Impact of the Great
Recession on Long-Term Services and Supports**
State Profile: ILLINOIS

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INTRODUCTION

Weathering the Storm: The Impact of the Great Recession on Long-Term Services and Supports is the most comprehensive analysis to date on the budget cuts to both Medicaid and non-Medicaid funded long-term services and supports (LTSS) in each state. It also illustrates state-by-state how LTSS are financed. In addition, this study provides a very early snapshot of the likelihood of states pursuing some of the LTSS provisions within the Affordable Care Act (ACA).

Weathering the Storm contains several components:

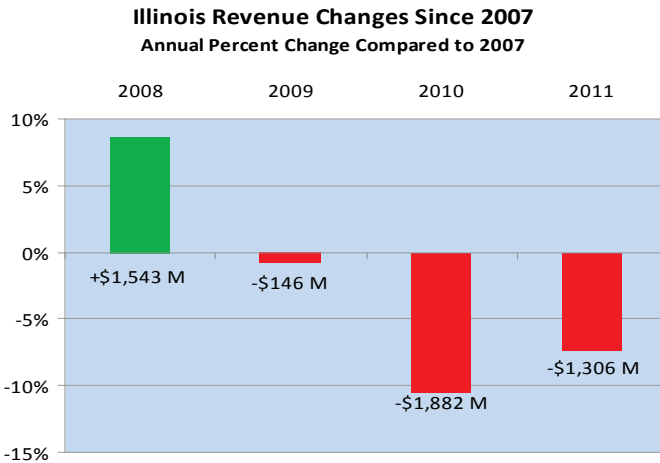
- The full report with an overview of findings and state-by-state tables;
- State profiles, which are 4 to 5 pages in length, for each state that participated in the study;
- An In Brief, which is a short synopsis; and
- A videotaped interview about the key findings.

Hard copies of *Weathering the Storm* are available free of charge. To order, please call the AARP Public Policy Institute at (202) 434-3890 or email jgasaway@aarp.org.

All of the components of *Weathering the Storm* are also available on the web and can be found at www.aarp.org/ppi, www.nasuad.org, and www.healthmanagement.com.

ILLINOIS

TAX COLLECTIONS



Source: HMA analysis of state tax collection data from the National Association of State Budget Officers (NASBO), Spring Fiscal Survey of States, 2006 *(for baseline 2007 data); Spring Fiscal Survey of States, 2009 (for 2008 data) and Spring Fiscal Survey of States, 2010 (for 2009 actual, 2010 estimated, and 2011 projected). Revenue represents the following taxes if collected by the state: **Personal Income, Corporate, and Sales**. Percent change and change in amount collected (in millions) represents the divergence between the state fiscal year noted and baseline SFY 2007.

* Analysis uses projected 2007 revenue from NASBO's 2006 report because data for Illinois were not available in the 2008 report.

ARRA FUNDING

IMPACT OF ARRA ENHANCED MEDICAID FMAP EXPIRATION

- The state budgeted for SFY 2011 assuming the ARRA extension would pass.

PREDICTED IMPACT OF THE EXPIRATION OF THE ARRA NUTRITION FUNDING

- Waiting lists will increase.
- Services will be reduced.

STATE UNIT ON AGING AND DISABILITY (NON-MEDICAID) SERVICES

STATE UNIT ON AGING NUMBER SERVED (UNDUPLICATED)

SFY 2009 (actual)	SFY 2010 (projected)	SFY 2011 (projected)	% Change SFY 2009–2011
502,401	507,425	495,000	-1%

STATE UNIT ON AGING TOTAL EXPENDITURE REDUCTIONS – ACTION TAKEN

SFY 2009–2010	SFY 2010–2011
5% or less	Don't Know

ILLINOIS

STATE UNIT ON AGING SERVICE DEMAND AND EXPENDITURE CHANGES

Program	Change in Expenditures		Change in Service Requests
	SFY 2009–2010	SFY 2010–2011	SFY 2009–2010
Adult Foster Care	NA		DK
Adult Day Care	-		-
Adult Protective Services	NA		DK
Assisted Living	NA		DK
Behavioral Supports	NA		DK
Case Management	-		+
Chore	0		0
Community Transition	NA		-
Congregate Meals	-		-
Day Habilitation	NA		DK
Disease Prevention/Health Promotion	+		+
Elder Abuse Prevention	-		-
Environmental Modifications	NA		DK
Equipment and Supplies	NA		DK
Family Caregiver Support	-		0
Food Stamps/Supplemental Nutrition Assistance Program			DK
Foreclosure Counseling	NA		DK
Homemaker	0		+
Home-Delivered Meals	0		0
Housing Assistance	-		0
Information and Referral	+		+
Legal Assistance Development	0		0
LIHEAP			DK
Long-Term Care Ombudsman	0		0
Nutritional Supplements	NA		DK
Occupational Therapy	NA		DK
Personal Care/Assistance	NA		DK
Physical Therapy	NA		DK
Recreational Therapy	NA		DK
Residential Habilitation	NA		DK
Respite	+		+
Senior Community Service Employment Program	+		0
Senior Centers	-		-
Speech Therapy	NA		DK
State Adult Guardianship Program	NA		DK
State Pharmaceutical Assistance	-		-
Supported Employment	NA		DK
Supported Living	NA		DK
Transportation	-		0
+ Expenditure/demand increase	0	No change in expenditure/demand	DK Don't know
- Expenditure/demand decrease	NA	Program not administered by SUA	

STATE UNIT ON AGING NON-MEDICAID HCBS EXPENDITURES

SFY 2009 (actual)	SFY 2010 (projected)	SFY 2011 (appropriation)	% Change SFY 2009–2010
\$228,420,800	\$295,914,750	\$275,662,600	30%

MEDICAID LONG-TERM SERVICES & SUPPORTS

NUMBER OF BENEFICIARIES: WAIVERS & NURSING FACILITIES

Waiver Name	Avg. Daily Caseload			% Change
	SFY 2009	SFY 2010	SFY 2011 (planned)	SFY 2009– 2010
None Listed				
Nursing Facility Services	Avg. Daily Census 2010		Expected Change 2011	
NF Average Daily Census *				

- Nursing facilities have seen small decreases, perhaps due to the availability of home and community-based services (HCBS).
- The state lacks HCBS for individuals with mental illness, so many nursing facilities have become alternatives for this population.

LTSS EXPENDITURES (FEDERAL AND STATE)

Service	SFY 2009	SFY 2010 (Estimate)	SFY 2011 (Appropriation)	% Change SFY 2009–2010
HCBS Waivers (For Older People and Adults with Physical Disabilities)				
Medicaid LTSS State Plan				
Nursing Facility				

LTSS PROVIDER PAYMENT RATE CHANGES

Provider Type	SFY 2009–2010 % change	SFY 2010–2011 % change
Nursing Home	+	TBD
Home Health	-	-
Personal Care Services *		
HCBS Waiver Services *	+	+
+ Provider rate increase - Provider rate decrease 0 No change in provider rate		NA Not applicable

- Waiver rate increases were not significant and did not occur in all waiver services. Rate increases were the result of negotiations or a function of rate-setting methodologies. For example, an increase in homemaker and personal assistance rates was due to an increase by a health insurance add-on negotiated with unions. A small increase in assisted living waiver rates was due to rate-setting methodology tied to changes in nursing facility rates.
- During SFY 2011, a rate reform work group (established by legislation) will study nursing facility rates with the goal of developing an evidence-based methodology. Illinois currently uses a hybrid case mix methodology (nursing, capital and support components). The state will consider a Resource Utilization Group (RUG) based methodology in 2011.
- The state is unsure what the impact on nursing facility rates will be, but expects that it will result in a reallocation rather than an increase due to limited budget.

OPTIONS, OUTLOOK, AND PROMISING PRACTICES

The Medicaid agency and State Unit on Aging were asked about their intent to pursue options under health care reform, to provide their thoughts on the outlook for LTSS, and to share promising practices in their state. This section combines information from both agencies if both agencies responded.

See the Overview for descriptions of these provisions.

State's Intent to Pursue LTSS Provisions in the Affordable Care Act	Very Likely	Somewhat Likely	Not Likely	Don't Know
State Balancing Incentive Program				X
Community First Choice Option				X
Money Follows the Person Demonstration				
1. Apply for new program				
2. Apply for extension of existing program	X			
Medical/Health Home Initiative				
1. Agency applying for planning grant				X
2. State plan amendment to establish medical/health home services				X
3. Apply to establish community health teams				X

STATE PRIORITIES: 18–24 MONTHS

- Balancing through enhancement and expansion of the ADRC network, participation in Cash and Counseling demonstration, Money Follows the Person, and statewide expansion of the Veteran's Consumer Directed program.
- Studying nursing facility rate reform that will permit appropriate payment for high-acuity residents.

STATE ISSUES

- Ongoing structural deficit and the impact on the state's ability to develop new programs that require state funding, including participation in HCBS options under the Affordable Care Act.
- Attention to medical issues of participants in HCBS programs.
- U.S. Centers for Medicare & Medicaid Services' (CMS) quality assurance requirements for HCBS.

STATE PROMISING PRACTICES

- Implementation of a Comprehensive Care Coordination assessment tool that ensures all older adults receive a standardized assessment and care planning process.
- Coordination with LTSS ombudsman to assist with outreach, education and awareness of Money Follows the Person initiative.
- Cash and Counseling demonstration in four areas of the state and exploration of innovative approaches in that program.

The information in this profile represents information available to state officials at a point in time. Surveys were conducted from June through September 2010. Illinois' fiscal year begins July 1 and ends June 30.